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CENTRAL INTELLIGENCE AGENCY

Memorandum



THE SITUATION IN VIETNAM

Information as of 1600
26 May 1966

PREPARED FOR THE NATIONAL SECURITY COUNCIL
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State Department review completed

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HIGHLIGHTS

In Hue, the security of US installations and personnel remains in doubt. A battalion of ARVN troops is taking defensive positions around US installations following the destruction of the USIS library on 26 May. The election law drafting committee made progress in Saigon with several significant decisions regarding the constituent assembly to be elected on 11 September.

I. The Military Situation in South Vietnam:
During the past 24 hours, Viet Cong forces attacked and inflicted heavy losses on an ARVN battalion in the delta province of Kien Phong (Para. 1). They also mined a Hong Kong - registered commercial freighter transiting Saigon's main shipping channel (Paras. 2-3). US 1st Air Cavalry Division forces, supported by B-52 strikes are continuing Operation CRAZY HORSE in Binh Dinh Province (Para. 4).

II. Political Developments in South Vietnam:
Official reports indicate the USIS library is a "total loss" (Para. 1). The Ky regime is continuing efforts to clarify the military command situation in the I Corps area (Paras. 2-3). Demonstrations attracted 7,000 people in Hue (Paras. 4-5). A student mob sacked the USIS library in Hue (Paras. 6-7). Province Chief Khoa has been given "operational control" of the battalion now defending US installations in Hue (Para. 8). Saigon police dispersed a small Buddhist group (Para. 9). Press reports indicate Ky will meet with dissident Generals Thi and Dinh on 27 May (Para. 10). In Saigon, the election law drafting committee has made several significant decisions regarding the constituent assembly to be elected on 11 September (Paras. 13-15).

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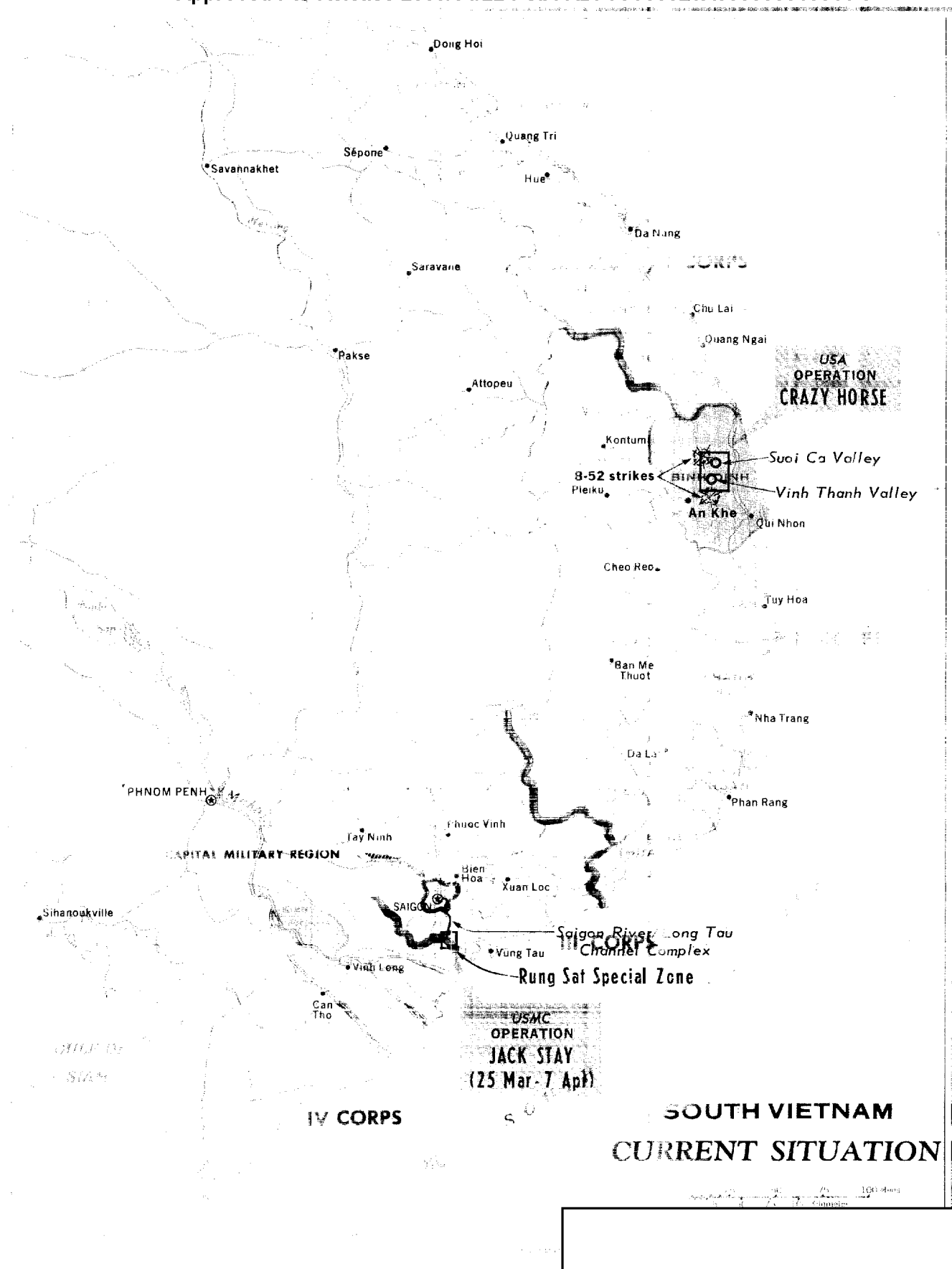
IV. Other Communist Military Developments:
There is nothing of significance to report.

V. Communist Political Developments: Several recent articles in the North Vietnamese party press have discussed in detail some of the shortcomings encountered in war related labor usage (Paras. 1-2).

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

1. Viet Cong forces, striking in undetermined strength, yesterday attacked and overran an ARVN battalion conducting a local security operation approximately 60 miles west-southwest of Saigon, in Kien Phong Province. Government troops sustained heavy casualties, initially reported as 47 killed and 51 wounded. Enemy losses were unknown.

2. Meanwhile, in the Rung Sat Special Zone southeast of Saigon, a 4,000-ton commercial freighter reportedly sustained heavy damage early today when it detonated a Viet Cong "floating mine" while transiting the main shipping channel to the capital port. The 357-foot vessel, apparently owned by a Hong Kong company, was reportedly transporting cement to US AID facilities in Saigon. No casualties were reported among its 39-man crew.

3. This incident lends further credence to numerous reports of Viet Cong preparations for the renewal of offensive activity against commercial and military traffic in the Saigon River/Long Tau channel complex. The discovery of a large Viet Cong mine factory 25 miles southeast of Saigon during USMC Operation JACK STAY (25 March - 7 April) provided some measure of the Viet Cong capability to produce mines.

Allied Operations

4. Four battalions of the US 1st Air Cavalry Division are continuing search-and-destroy Operation CRAZY HORSE in the heavy jungles and elephant grass of the Vinh Thanh and Suoi Ca valleys, northeast of An Khe, in Binh Dinh Province. Fifteen B-52 strategic bombing sorties have been flown during the past 24 hours against battalion-strength Viet Cong troop concentrations and base camps in the CRAZY HORSE operational sweep area. Since its initiation on 16 May, the US offensive has resulted in cumulative enemy losses of 265 killed (body count), nine captured, and 52 suspects apprehended, as against American casualties of 64 killed, 169 wounded, and one missing.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

Late Developments

1. The US Consul in Hue reports that the sacked USIS library is a "total loss," except for the shell. Armed students still man barricades between the consulate and the MACV compound. The consul expressed some doubt over the dependability and the protective ability of the 1st Division battalion which has moved into defensive positions around the consulate and US installations in Hue.

2. The Ky regime is making further efforts to clarify the military command situation in the I Corps area. Defense Minister Co talked with the present I Corps commander Huynh Van Cao at US Marine headquarters in Da Nang on 26 May. Cao apparently remains so shaken by the events of the past weeks that he refused, after talking with Co, to leave the post. He has not, however, asked to be relieved of his command.

3. Speaking with newsmen after his talk with Cao, General Co said that the regime was reluctant to replace Cao after so short a period as I Corps commander. He indicated that the government might take such action in the near future, however. Co also said that General Nhung, the commander of the 1st Division in I Corps, would also have to be replaced because of his associations with the "struggle" movement and the militant Buddhist leaders in Hue.

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Da Nang

4. The funeral for Lieut. Nguyen Dai Thuc was held at the Dieu De pagoda on the morning of 26 May with a crowd of approximately 7,000 gathered to hear a speech by Hue University rector and "struggle" leader Bui Tuong Huan. The speech was violently antigovernment and criticized the US for supporting the GVN. Huan appealed to the people of the US to urge their government to abandon the policy of "obsolete colonialism."

5. After the speech, the crowd held a funeral procession through town. The two-mile long procession went out of its way to pass by the US Consulate. Buddhist leader Tri Quang was observed watching the procession from across the street. The student hunger strikers who had remained in front of the consulate since the morning of 25 May joined the procession and left after making clear their dissatisfaction with the reply given to their letter to President Johnson.

6. At approximately 4:30 p.m. on 26 May (Vietnam time), a student mob entered the USIS library in Hue, sacked it, and burned books and furniture in the yard just outside the building. A fire truck arrived shortly after 5 p.m., but was blocked from fighting the fire. The number of students involved was estimated at 300 to 400.

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Approximately one hour later, Tri Quang broadcast an appeal over Radio Hue to the students to "limit" their ransacking and go home.

7. The chief of the Hue police, along with about 20 policemen, watched the sacking after having been informed earlier of its likelihood. The building had been evacuated on reports that it, along with the Voice of America transmitter site and the consulate itself, would be probable targets of the increasing anti-Americanism of the Hue "struggle" forces.

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8. Province Chief Khoa informed US officials in Hue late on 26 May that he has been given "operational control" over the 2nd Battalion of the 3rd Regiment, which has been moved to Hue to "protect American lives and property." Col. Khoa expressed regret for the destruction of the USIS library and gave a number of excuses for his failure to protect it.

Saigon

9. Riot police again dispersed a small group of Buddhist monks and their followers who attempted to organize a demonstration near the US Embassy on the morning of 26 May. The bonzes then tried to carry banners to the central market a few blocks away from the embassy but were again met by riot police who sent them scurrying down side streets in the wake of tear gas grenades.

10. According to press reports, Prime Minister Ky will meet with dissident Generals Thi and Dinh on 27 May at the American air base at Chu Lai, 65 miles south of Da Nang. Defense Minister Nguyen Van Co reported to the press that Ky will also visit Da Nang and Hoi An to "look over the situation and talk to the people."

11. A Saigon newspaper reports that acting Buddhist Institute chairman Thien Minh has threatened to burn himself unless the government barricades around the Institute are removed.

12. A group calling themselves the "Citizens Front of Various Religions" issued a joint resolution on 24 May demanding the resignation of Prime Minister Ky and Chief of State Thieu, according to a Buddhist newspaper in Saigon. The group is apparently a bloc of Catholics, Hoa Hao, Cao Dai, Protestants, and Buddhists. The resolution was signed by Father Hoang Quynh and other lesser lights in the religious field. The resolution asked that the Armed Forces Council cooperate with representatives of various religions, political, and labor organizations (unnamed) in setting up a transitional civilian government.

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Election Law Progress

13. In Saigon, the election law drafting committee has made several significant decisions regarding the constituent assembly to be elected on 11 September. This morning, the committee decided to make the provinces and the autonomous cities the basic electoral districts, with one delegate per 100,000 population. The committee used South Vietnam's total population of between 14 million and 15 million as a base; consequently there will be some 140-150 delegates in the constituent assembly now proposed by the committee, depending upon the rounding of electoral district population totals to the nearest 100,000. After a long debate in this afternoon's session, the committee voted against a provision which would reserve special assembly seats for the armed forces.

14. Yesterday, the committee decided upon the membership of local election boards which will supervise balloting and the tallying of votes in each electoral district. Each board will consist of the local judge as chairman, two provincial or municipal council members and two voters' representatives, all of whom are not candidates, and one government representative who will act as a secretary but who will have no vote. Earlier, the committee decided that votes should be cast for individual candidates rather than for a slate of candidates.

15. Following yesterday's session, the committee chairman told a US Embassy official that the committee would probably finish its work by 4 June, and that the committee would then discuss an expanded version of the military Directorate which would include civilians, in accordance with a recent suggestion by Premier Ky. The chairman also voiced a complaint about Premier Ky's recent public contradiction of the committee on the question of whether the constituent assembly should have legislative powers. Three members of the 32-man committee have withdrawn since the movement of government troops into Da Nang on 15 May.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. There is nothing of significance to report.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. Several recently available articles appearing in the North Vietnamese Communist Party press during April reveal extensive difficulties in organizing manpower for construction projects. The articles described construction projects in which workers stand around idle because they had been assembled weeks before they were needed, because they had no tools to work with, and because they had been recruited in numbers far in excess of the needs of the project. Some participants described cases in which workers were given make-work projects just to mark time--such as digging holes and then filling them back up.

2. Although the articles describe waste and inefficiency in terms which imply widespread difficulties, the DRV regime has managed to stage impressive construction efforts to keep main transportation routes open at least when priority repair of bomb damage is involved.

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